

Message Text

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PAGE 01 BRIDGE 02959 030004Z

ACTION ARA-14

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05

TRSE-00 SS-15 STR-05 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03

LAB-04 SIL-01 L-03 ITC-01 AGRE-00 IO-13 EUR-12

/112 W

-----039196 030013Z /70

R 022021Z DEC 77

FM AMEMBASSY BRIDGETOWN

TO SECSTATE WASHDC 4164

INFO AMEMBASSY PORT AU PRINCE

AMEMBASSY SANTO DOMINGO

LIMITED OFFICIAL USE BRIDGETOWN 2959

PASS ASSISTANT SECRETARY TODMAN, ARA

E.O. 11652: N/A

TAGS: ECON, XL

SUBJECT: CARIBBEAN DEVELOPMENT BANK POSITION ON HAITI AND DOMINICAN REPUBLIC

REF: BRIDGETOWN 2700

1. SUMMARY. WILLIAM DEMAS, PRESIDENT, CARIBBEAN DEVELOPMENT BANK, CONTINUES RELUCTANT TO ACCEPT PARTICIPATION BY HAITI AND DOMINICAN REPUBLIC IN BANK'S ACTIVITIES. HE FEARS LARGE POPULATIONS AND ECONOMIC REQUIREMENTS OF THOSE COUNTRIES WILL RESULT IN PROPORTIONATELY SMALLER SHARE OF LOANS TO ENGLISH-SPEAKING CARICOM STATES AND DEPENDENCIES OF EASTERN CARIBBEAN. DURING HIS RECENT VISIT, AMBASSADOR TODMAN CONCERNED THAT THIS ATTITUDE COULD MAKE CDB UNSUITABLE AGENCY TO ADMINISTER COOPERATIVE FUND. ON INSTRUCTIONS BY AMBASSADOR TODMAN, DCM AND I CALLED ON DEMAS DECEMBER 1 TO REINFORCE POINT. DEMAS HAS MADE ALTERNATIVE SUGGESTION. END SUMMARY.

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2. DEMAS HOLDS THAT CDB'S CHARTER WOULD NOT ALLOW IT TO ADMINISTER FUNDS TO COUNTRIES WHICH ARE NOT MEMBERS OF CDB. THEREFORE, ANY COOPERATIVE FUND WHICH MIGHT BE ESTABLISHED AS RESULT OF DECISIONS BY CARIBBEAN GROUP FOR COOPERATION IN ECONOMIC DEVELOPMENT (CGED), SHOULD HAVE JOINT ADMINISTRATION BY CDB AND INTER-AMERICAN

DEVELOPMENT BANK (IDB). UNDER SUCH AN ARRANGEMENT, DEMAS SAID, CDB WOULD ADMINISTER FUNDS DESIGNATED FOR ITS OWN MEMBER STATES IN ENGLISH-SPEAKING CARIBBEAN, WHILE IDB WOULD ADMINISTER FUNDS DESTINED FOR HAITI AND DOMINICAN REPUBLIC.

3. I POINTED OUT POTENTIAL FOR DUPLICATION IN THIS ARRANGEMENT, AS WELL AS DAMAGE TO PRINCIPLE OF COOPERATIVE DEVELOPMENT IN CARIBBEAN. DCM ADDED THAT SINGLE ADMINISTRATION OF FUNDS BY CDB TO LARGER AREA MIGHT BE INTERESTING FOR CDB. DEMAS MADE IT ONLY TOO CLEAR THAT CDB IS NOT IN EXPANSIONARY MOOD. HE CONTENDS THAT HE HAS LITTLE INFLUENCE ON SUCH DECISIONS AS EXPANSION OF MEMBERSHIP OR AMENDMENT OF CHARTER. HE SAID INDIVIDUAL PETITIONER COUNTRIES MUST THEMSELVES TAKE INITIATIVE TO APPLY FOR MEMBERSHIP TO PRESIDENT OF CDB. PRESIDENT THEN PRESENTS APPLICATION TO BOARD OF DIRECTORS, WHICH IN TURN MAKES RECOMMENDATION TO BOARD OF GOVERNORS. BOARD OF GOVERNORS, DEMAS EXPLAINED, REALLY MEANS INDIVIDUAL GOVERNMENTS OF ENGLISH-SPEAKING CARIBBEAN. THIS IS BECAUSE BY TRADITION THOSE GOVERNORS SITTING AS REPRESENTATIVES OF DONORS LIKE UK, CANADA AND VENEZUELA DO NOT INTERFERE IN SUCH MATTERS.

4. COMMENT: IT IS CLEAR TO US (THOUGH OUR PERSPECTIVE FROM BRIDGETOWN MAY BE LIMITED) THAT CARICOM MEMBERS OF LIMITED OFFICIAL USE

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CDB DO NOT WANT HAITI OR DR AS MEMBERS. DEMAS IS HIGHLY UNLIKELY IN HIS PRESENT MOOD TO LOBBY WITH THESE MEMBERS TO AMEND CHARTER SO THAT CDB CAN ADMINISTER FUNDS WHICH WOULD ALSO BE EXTENDED TO NON-MEMBERS. IF DEPARTMENT FINDS NO MERIT IN JOINT CDB-IDB APPROACH, IT MAY NOW BE NECESSARY TO RECONSIDER CDB AS ADMINISTERING AGENCY FOR COOPERATIVE FUND.
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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 02-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: BRIDGETOWN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197712102/aaaadiem.tel
Line Count: 102
Litigation Code IDs:
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Litigation History:
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Previous Handling Restrictions: n/a
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